HON'BLE SHRI G.S.SINGHVI, THE CHIEF JUSTICE
and
HON'BLE SHRI JUSTICE C.V.NAGARJUNA REDDY

WRIT PETITION NO.16887 OF 2007

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Between:
Sri V.Rama Mohan Rao,
Special Class Contractor,
Flat No.302, Prashant Residency,
Sreenivasa Nagar West,
Ameerpet, Hyderabad-500 038.

..... Petitioner

AND

The Government of Andhra Pradesh,
represented by its Principal Secretary and
14 others.

.....Respondents

::ORDER::

Counsel for the Petitioner : Sri P.Girish Kumar

Counsel for Respondents 1 & 10 to 14 : Government Pleader for Finance
Counsel for Respondents 2 to 4 : Government Pleader for Panchayat Raj
Counsel for Respondents 5 to 8 : Government Pleader for Roads and Buildings
Counsel for Respondent No.9 : Standing counsel for G.H.M.C
Counsel for Respondent No.15 : Government Pleader for Commercial Taxes

Dated 9.8.2007

Per Sri G.S.Singhvi, CJ

This is a petition for quashing Memo No.602/F8(1)/2006 dated 14.3.2007 issued by the State Government for deduction of 4% tax at source under the Andhra Pradesh Value Added Tax Act, 2005 (for short, 'the 2005 Act') from the contractors.

The petitioner is a special class contractor. He was awarded contracts for execution of works i.e. providing B.T to the road from Putrala –Kurchiparthy Road (via) Narmada Nagar, Sattennagudem, Nutigudem; providing BT surface to the road from MNK Road to Annavaram to NG Road (via) Venkatayavalem; construction of intake well cum pump house at N.S.Left Canal @ Dosapadu at Gandlacheruvu; Kukatpally Municipality – CCF – Construction of retaining wall and bridge from Kalyan Nagar to Navajeevan Nagar; improvements to the road from Pendlimarri to Paidikalva (via) Machanur from MK 0/0 to 22/2 under Agreement No.12/2005-06; Improvements to Pincha – Cheenipalli Road from KM 0/0 to KM 12/4 in Kadapa District; improvements to T. Sundupalli – Cheenipalli Road from KM 3/0 to ½ in Kadapa District; Laying of road from NH 7 to Indira Gnadhi Statue at Jagadgirigutta of Quthbullapur Municipality under Agreements dated 28.2.2006, 8.2.2007, 20.1.2005, 14.9.2005, 13.8.2005, 7.5.2005, 4.7.2005, 4.7.2005 and 22.7.2005 etc.,

The grievance of the petitioner is that even though the State Government has directed deduction of 4% tax at source, certificates to TDS are being issued only with respect to 2.8% and only 2.8% was being remitted to the Commercial Tax Department and, on that account, its liability remains pending with the Commercial Tax

Department.

During the pendency of the writ petition, the State Government issued Memo No.602/F8(1)/2006-8 on 19.7.2007, and removed the anomaly pointed out in the affidavit of the petitioner. The concerned officers have now been directed to remit the entire amount of tax deducted at source to the Commercial Tax Department.

Learned counsel for the parties agree that in view of Memo dated 19.7.2007, similar petitions filed by other contractors have been disposed of as infructuous with the direction that the amounts retained by the contracting department be remitted to the Commercial Tax Department and necessary certificate be issued to the writ petitioner.

In view of the above, this petition is disposed of in similar terms and the contracting department is directed to remit the remaining amount of tax deducted at source to the Commercial Tax Department and also issue necessary certificate to the petitioner.

As a sequel to disposal of the writ petition as infructuous, WPMP No.21544 of 2007 filed by the petitioner for interim relief is also disposed of as infructuous.

G.S.SINGHVI, CJ

C.V.NAGARJUNA REDDY,J

Dt.9.8.2007
msv